

# Business Case Study

## ENERGY STAR Home Sealing

### *Home Energy Partners, Asheville, North Carolina*

*Isaac Savage, President*

Isaac Savage never intended to fix air leakage problems in homes. In fact, a year-and-a-half-ago, Isaac's company, Home Energy Partners, was making good money doing home energy ratings for ENERGY STAR builders in Western North Carolina. But increasingly, Home Energy Partners was also hired to do comfort and leakage evaluations in older homes. After finishing an evaluation and discovering that the home had serious leakage problems, Isaac had to break the bad news to the homeowners. Inevitably, the owners would ask,

"Can you fix it?"

It didn't take long for Isaac to identify home sealing as a way to add value to his already growing business – there certainly was a market for it. By the middle of 2003, Home Energy Partners had expanded their services to include air sealing, insulation, window, HVAC, and ventilation system installation. And his efforts have paid off. In 2004, Home Energy Partners did 60 home improvement jobs, bringing in more than \$500,000.

The philosophy behind Home Energy Partners' success is simple: do quality work, let the value of this work be reflected in the cost of the service, and subsequently build a good reputation. Though it may seem counterintuitive, Isaac has built his reputation by sometimes turning down a job. "If the homeowner won't let you do the work right, you don't do it," he said. "I want my customers to be happy with what I've done. They won't be happy if they aren't willing to let me address every problem and do a complete job."

The quality of Home Energy Partners' work is also reflected in the cost of their services. Evaluations start at \$250 and retrofit work starts at \$1,000, and initially, some customers might scoff at this price. So that's where customer education comes in.

"The hardest part of my job is getting customers to understand what we do. Most don't even know what a 'whole-house' consultant is," explains Isaac. Thus, Home Energy Partners uses diagnostic and evaluation tests to demonstrate to the homeowner how their house works and the physics behind their leakage and comfort issues. "We show homeowners why just upgrading insulation won't fully improve comfort and energy bills, and then they understand the cost."

Though Home Energy partners generate most of their work through referrals, they also do a great deal of consumer outreach in the western North Carolina and Tennessee. Isaac will present his services in front of groups, such as church organizations, homeowners associations, local Sierra Club chapter or green building chapters.

Home Energy Partners also reaches out to other building industry professionals such as architects and realtors. Because Home Energy Partners is a certified Icynene distributor, they are

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also able to offer continuing education credits on the product. “Architects in particular always need education credits. It’s worth the money to buy these guys lunch and spend the time to teach the class, even if only one architect passes our name along or even hires us himself,” says Isaac.

But according to Isaac, the biggest payoff comes from advertising that doesn’t cost Home Energy Partners a thing: media attention. An article written in the summer of 2004 about sealing crawlspaces to prevent moisture problems generated more than 20 jobs for Isaac. Isaac also writes a monthly column for *Builder/Architect* magazine.

Nonetheless, Home Energy Partners does do traditional advertising. Most recently, Home Energy Partners organized an ENERGY STAR Ad Partnership featuring local builders. Isaac also does direct mail, and exhibits at remodeling and home shows. Home Energy Partners also uses the ENERGY STAR logo on all of their sales and marketing collateral. “The ENERGY STAR logo adds a lot of credibility to what we do. People recognize it as a symbol of quality,” says Isaac.

Though Home Energy Partners has had initial success in developing and selling services that address comfort and efficiency problems in homes, it would not have come without hard work. “You’ve got to first establish yourself as the local expert,” says Isaac, “and follow that up with consumer education. If people don’t know what you do, you won’t get hired. And you’ve got to educate yourself as well. You need to know what you’re talking about.”

But Home Energy Partners isn’t content to rest on their laurels. Isaac has plans to develop and patent the software tools he uses to manage his business while expanding the range of his work. “Our home improvement services have really benefited the business,” says Isaac. “It’s provided an additional profit center, and has also allowed me to price other products, services and installations at a higher price point due to greater professionalism and credibility.”